



RANCHO
LPG Holdings LLC

March 8, 2013

Honorable Joe Buscaino
Councilman, 15th District
City of Los Angeles
200 North Spring Street, Room 425, City Hall
Los Angeles, CA 90012

RE: Correction of Misinformation Published About Rancho LPG Risk Plan

Dear Councilman Buscaino:

On February 8, 2013, CityWatch published inaccurate and misleading information in a blog post “Propane Risks Remain Unresolved at LA’s Port” by Janet Gunter and Fred Millar. The blog posting’s authors stated an incorrect distance for the ‘blast radius’ related to the risk management plan for the facility, and indicate they have used the Environmental Protection Agency’s (EPA) calculation methods. In fact, the misinformation presented by the authors is not in accordance with EPA calculations because the authors failed to include all factors relevant to calculating Rancho's worst case release scenario according to applicable EPA regulations. Therefore, the authors failed to accurately calculate the worst case release scenario for the Rancho LPG Facility.

Rancho LPG is committed to operating safely, and abides by all regulatory requirements for safe operations. We use standards and methodologies mandated by the EPA to develop our Risk Management Plan (RMP), which identifies off-site consequences for worst-case and alternative-case releases. Our RMP, available for public viewing at the local CUPA office, shows the results of our worst-case scenario. Our ‘worst-case’ model assumes a complete release of one tank contained by passive mitigation with an ensuing vapor cloud explosion of 0.5 miles at a 1.0 psi overpressure based upon EPA criteria mandated in their 40CRF68 code. The 1.0 psi overpressure is a commonly used endpoint and is described in the US EPA’s RMP guidance as being “intended to be conservative and protective; it does not define a level at which severe injuries or death would be commonly expected.”

Rancho LPG has reconfirmed these calculations with leading risk analysis consultants and have found the EPA methodology to be very conservative (overstating the potential); in addition, the EPA has confirmed to Rancho LPG that “Based upon EPA analysis, the facility’s calculation is consistent with the requirements under CAA Section 112(r)(7) and CFR 40CFR68 and is to the letter of the law”.

Further information about the Rancho LPG facility, including facts and myths about the facility, is available at the Rancho LPG website: www.rancholpg.com or feel free to contact me directly.

Best regards,

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